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E-Filed on 3/26/07

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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE  
COMPANY,

USA CAPITAL REALTY ADVISORS,  
LLC,

USA CAPITAL DIVERSIFIED TRUST  
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED  
FUND, LLC,

USA SECURITIES, LLC, Debtors.

Case No. BK-S-06-10725-LBR  
Case No. BK-S-06-10726-LBR  
Case No. BK-S-06-10727-LBR  
Case No. BK-S-06-10728-LBR  
Case No. BK-S-06-10729-LBR

CHAPTER 11

Jointly Administered Under Case No.  
BK-S-06-10725 LBR

**STATUS AND AGENDA FOR  
MARCH 27, 2007 HEARINGS**

Date of Hearing: March 27, 2007  
Time of Hearing: 9:30 a.m.

**Affects:**

- × All Debtors
- .. USA Commercial Mortgage Company
- .. USA Capital Realty Advisors, LLC
- .. USA Capital Diversified Trust Deed Fund, LLC
- .. USA Capital First Trust Deed Fund, LLC
- .. USA Securities, LLC

**9:30 a.m. HEARING**

**1. Objection to Claim 819 of Spectrum Financial in the Amount of \$49,581,000; Claim 821 of Rolland P. Weddell in the Amount of \$13,081,000 filed by**

**Jeanette E. McPherson on behalf of USA Commercial Mortgage Company**

**[DE 2021].**

The Objection respectfully requests that the Court enter an order sustaining its Objection disallowing Claim No. 819 filed by Spectrum and Claim No. 821 filed by Weddell in their entirety because they are not enforceable against USACM.

Response Filed By:	Date	Docket No.
Spectrum Financial Group	1/10/2007	2394
Rolland P. Weddell	1/10/2007	2398
Spectrum Financial Group (Amended Response)	1/11/2007	2404
Rolland P. Weddell (Amended Response)	1/11/2007	2406

Counsel for Spectrum Financial / Weddell and the USACM Liquidating Trust have agreed and will submit a stipulation to continue the hearing to the April 26, 2007 omnibus calendar.

**2. Motion to Sell under Section 363 All Commercial Mortgage Assets of Debtor USA Commercial Mortgage Company in the Placer Vineyards Loans to Compass USA SPE, LLC (Affects Debtor USA Commercial Mortgage Company) filed by Lenard E. Schwartz on behalf of USA Commercial Mortgage Company [DE 3037].**

The Motion seeks to do the following: (a) authorize USACM pursuant to 11 U.S.C. §§ 363(b)(1) and 363(f) to sell to Compass the Placer Vineyard Commercial Mortgage Assets, free and clear of all liens, claims, encumbrances and interest pursuant to U.S.C. § 363(f), for the purchase price of \$300,000, and (b) authorize USACM to execute all documents and take all other necessary steps required to implement any of the foregoing actions.

Opposition Filed By:	Date	Docket No.
Debt Acquisition Company of America	3/20/07	3193
Joinder Filed By:		
Donna Cangelosi	3/20/07	3227
Response Filed by:		
USACM Liquidating Trust	3/21/02	3237
Investors Commercial Capital, LLC	3/23/07	3252

The responses suggest that the Court should first consider whether to proceed with the sale of the loan servicing and other rights concerning the Placer Vineyards loans on March 26, or to continue the hearing to a later date. If the Court decides to proceed on March 26, competing bids have been filed.

**3. Motion to Compel Production filed on behalf of Del and Ernestine Bunch [DE 3064].**

The Bunches request that the Court compel Debtor to respond to Bunch's request to supplement the discovery responses to the First Request for Production and the Second Request for Production pursuant to FRCP 37(a)(4), that this Court order Debtor to pay the reasonable expenses incurred by the Bunches in filing the Motion, including attorneys fees.

Opposition Filed By:	Date	Docket No.
USA Commercial Mortgage Company	3/21/07	3238

**4. Motion to Estimate Claims/Estimate an Adequate Reserve for Unliquidated and Disputed Claims in Order to Permit Further Distributions to**

**FTDF Members Filed On Behalf of Official Committee of Equity Security Holders of USACFTDF [DE 2668].**

The Reserve Motion was filed on February 2, 1007, and originally set for status hearing on February 15, 2007. The Reserve Motion sought to establish interim reserves for outstanding unliquidated claims (pending hearings on the claims objections), in order to permit FTDF to make further interim distributions to its members. Since the filing of the Reserve Motion, the FTDF Committee has entered into – and the Court has approved – stipulations with all but one of the claimants asserting claims which are partially or wholly unliquidated. As to the single exception, claimant Katrine Mirzain, the attachments to Ms. Mirzain’s proof of claim establish that she is a “Direct Lender,” and, pursuant to this Court’s Modified Order Authorizing Interim Distributions and Holdbacks [DE 1414, entered on October 2, 2006], interim distributions need not reserve against this claim. Ms. Mirzain did not respond to the Reserve Motion. This Motion has been resolved except to Claim No. 147 (Mirzain), and is unopposed as to that Claim. The FTDF Committee requests that the Court establish a reserve of \$1 as to Claim No. 147.

Opposition Filed By:	Date	Docket No.
None		

**5. Second Motion for Approval of Procedures Second Joint Motion for Order for Implementation of Confirmed Plan (affects all Debtors) filed on behalf of Debtors [DE 2869].**

In order to implement the Plan, the Movants seek an order of the Court pursuant to Section 1142(b) of the Bankruptcy Code clarifying certain aspects of the wind down process, as detailed in the Motion, such as the payment of the professionals needed to accomplish the wind down, the setting of certain reserves, and the handling of certain miscellaneous issues that may remain outstanding after the Effective Date. In addition, the

Movants request authority related to the servicing loans by the USACM Trust and the Post-Effective Date DTDF after the Effective Date. Reserve disclosures have also been filed by Debtors' professionals [DE 2913] and by the professionals for the Official Committee of Equity Security Holders of USACFTDF [DE 1910]. This Motion was resolved by the Court on March 1, 2007, except for the issue of the amount of the reserve for USACFTDF. Counsel have stipulated that the issue pertaining to the amount of the FTDF reserve be addressed at the March 27, 2007 omnibus hearing.

Opposition Filed By:	Date	Docket No.
None		

**6. Objection to Claim 1099 of Del and Ernestine Bunch in the amount of \$11,358,661.28 filed by Jeanette E. McPherson on behalf of USA Commercial Mortgage Company [DE 2023].**

USACM requests an order sustaining its Objection and disallowing Claim No. 1099 filed by Del and Ernestine Bunch in its entirety because they are the recipients of fraudulent transfers.

Response Filed By:	Date	Docket No.
Bunch	1/05/2007	2367
Bunch (Supplemental Response)	1/12/2007	2417
USA Commercial Mortgage Company (Supplemental Brief)	1/16/2007	2427

**7. Objection to Claim 155 of Gateway Stone Associates, LLC in the amount of \$3,630,000 filed by Lenard E. Schwartzer on behalf of USA Commercial Mortgage Company [DE 2036].**

The Objection requests an order sustaining its Objection and disallowing Claim No. 155 filed by Gateway in its entirety because it is not enforceable against USACM.

Opposition Filed By:	Date	Docket No.
Gateway Stone Associates, LLC	12/27/2006	2281
Reply Filed By:		
USA Commercial Mortgage Company	1/08/2007	2379
Stipulation Filed By:		
USA Commercial Mortgage Company	3/23/07	3246

This loan has been paid and a stipulation for withdrawal of the Claim was filed on March 23, 2007.

**8. Appellants' Del and Ernestine Bunch Objection to Appellee Debtor's Designation of Additional Items to Include in Record on Appeal, Appeal Reference #07-05 filed by Richard F. Holley on behalf of Del Bunch, Ernestine Bunch [DE 2896].**

The Appellants request an order sustaining Appellants' Objection to Appellee Debtor's Designation of Additional Items to Include in Record on Appeal, and rule that those items designated by Appellee Debtor are not properly a part of the Record on Appeal and should be stricken.

Opposition Filed By:	Date	Docket No.
Response To Bunch Objection To Appellee Debtor's Designation Of Additional Items To Include In Record On Appeal	3/20/2007	3167

Reply with Certificate of Service

3/23/2007

3245

**9. Reserve Disclosure Pursuant to Second Joint Motion for Order for Implementation of Confirmed Plan filed on behalf of USACM [DE 2913].**

Debtor in Possession USACM filed its Reserve Disclosure pursuant to the Second Motion for Order for Implementation of Confirmed Plan.

Response Filed By:	Date	Docket No.
Official Committee of Equity Security Holders of USACFTDF	2/28/2007	2921

See #5 above.

**10. Status hearing re Amended Complaint for Interpleader [DE 54], Adversary 06-1146. USA Commercial Mortgage Company v. Wells Fargo Bank.**

Issues regarding the payment of interplead funds to Defendants and the allowance of attorneys' fees and costs incurred in connection with the interpleader and the payment of these funds from the interpleader funds must be addressed. In addition, issues regarding the status of the docket need to be addressed.

**11. Motion to Reconsider or Alternatively to Modify the Order Granting Motion to Discharge USA Commercial Mortgage Company (USACMC) from Liability for Interplead Funds and Awarding USACMC Compensation for Bringing the Interpleader Action [DE 101] filed by Robert C. LePome in Adv. 06-1146, USA Commercial Mortgage Company v. Wells Fargo Bank.**

Opposition Filed By:	Date	Docket No.
USA Commercial Mortgage Company	2/16/2007	104

**12. Motion to Enforce Order Approving Settlement and Application for Compensation for Robert C. LePome, or Alternatively, Motion for Contempt Upon**

**USACMC filed by Edwin Arnold, MW Gorts & Company [DE 258], in Adv. 06-1167,  
USA Commercial Mortgage Company v. Robert J. Kehl.**

<b>Opposition Filed By:</b>	<b>Date</b>	<b>Docket No.</b>
USA Commercial Mortgage Company	2/15/2007	269
Joinder filed by Official Committee of Unsecured Creditors of USACM	2/23/2007	274
<b>Reply Filed By:</b>	<b>Date</b>	<b>Docket No.</b>
Robert C. LePome on behalf of Edwin Arnold, M.W. Gorts And Company	2/23/2007	273

Undersigned counsel believes that the payments to creditors have been made, and that the only unresolved issue is Mr. LePome's request for attorneys' fees.

**13. Scheduling Conference re Complaint [DE 1] Adv. 06-01201 USA  
Commercial Mortgage Company v. Gateway Stone Associates.**

This loan has been paid and a stipulation to dismiss the complaint will be filed.

**14. Scheduling Conference re Complaint, Adv. 06-01256, USA Commercial  
Mortgage Company et al v. Salvatore Reale.**

**15. Motion to Dismiss Adversary proceedings pursuant to FRCP 12(b)(6),  
and in the Alternative for Summary Judgment filed on behalf of Bob Alum, et al [DE  
142] in Adversary Adv. 06-01256, USA Commercial Mortgage Company et al v.  
Salvatore Reale.**



**1:30 p.m. HEARING**

**16. Objection to Claim No 1660 of Robert J. Kehl & Ruth Ann Kehl in the amount of \$12,841,580.13 filed on behalf of USACMC [DE 2139].**

USACM requests that the Court enter an order sustaining its objection and disallowing Claim No. 1660 filed by Robert J. and Ruth Ann Kehl in its entirety because the Claim is not enforceable against USACM and is not prima facie evidence of amount or validity of the claim under Bankruptcy Rule 3001.

Opposition Filed By:	Date	Docket No.
None		

Counsel for the Kehl family and counsel for the USACM Liquidating Trust request that this matter be continued to the May 31, 2007 calendar to be heard in connection with the scheduling conference in Adv. 06-01247.

DATED: March 26, 2007.

**LEWIS AND ROCA LLP**

By: /s/ RC (#6593)

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